

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-863, A-484-803, A-533-881, A-570-077, A-580-897, A-489-833]

Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of

Commerce.

DATES: Applicable February 9, 2018.

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit at (202) 482-4031 (Canada); Brittany Bauer at (202) 482-3860 (Greece); Jaron Moore at (202) 482-3640 (India); Kabir Archuletta at (202) 482-8024 (the People's Republic of China (China)); Jesus Saenz at (202) 482-8184 (the Republic of Korea (Korea)); and Rebecca Janz at (202) 482-2972 (the Republic of Turkey (Turkey)); AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On January 17, 2018, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) Petitions concerning imports of large diameter welded pipe (welded pipe) from Canada, China, Greece, India, Korea, and Turkey, filed in proper form on behalf of American Cast Iron Pipe Company, Berg Steel Pipe Corp., Dura-Bond Industries, Skyline Steel,

and Stupp Corporation (collectively, the petitioners).¹ The AD Petitions were accompanied by countervailing duty (CVD) Petitions concerning imports of welded pipe from China, India, Korea, and Turkey. The petitioners are domestic producers of welded pipe.²

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the initiation of these investigations is now February 9, 2018.³

¹ See Petitioners' Letter, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Petitions for the Imposition of Antidumping and Countervailing Duties," dated January 17, 2018 (the Petitions).

² See Volume I of the Petitions, at 2.

³ See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

On January 23, 24, 29, 30, and February 6, 2018, Commerce requested supplemental information pertaining to certain areas of the Petitions.⁴ The petitioners filed responses to these

.

⁴ See Commerce's Letters, "Petitions for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey and Countervailing Duties on Imports from India, the Republic of China, the Republic of Korea, and the Republic of Turkey: Supplemental Questions," (General Issues Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from {Canada}{sic}: Supplemental Questions;" "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from the People's Republic of China: Supplemental Questions;" "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from Greece: Supplemental Questions;" and "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from Turkey: Supplemental Questions." All of these documents are dated January 23, 2018. See also Commerce's Letters, "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from India: Supplemental Questions;" and "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from the Republic of Korea: Supplemental Questions," both dated January 24, 2018. See also Commerce's Letter, "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from the People's Republic of China: Supplemental Questions," dated January 29, 2018. See also "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from Greece: Additional Questions;" "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from India: Additional Questions;""Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from Korea: Additional Questions;" and "Petition for the Imposition of Antidumping Duties on Imports of Large Diameter Welded Pipe from Turkey: Additional Ouestions," These documents are all dated January 30, 2018. See also Commerce's Memorandum to the File, "Telephone Call with Petitioner's Counsel Regarding U.S. Price Calculation," dated February 6, 2018.

requests on January 25, 26, 29, and 30, and February 1, 5, and 6, 2018.⁵ Also on February 5, 2018, the petitioners submitted certain revisions to the scope.⁶

⁵ See Petitioners' Letters, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 23, 2018 Supplemental Questions Regarding Volume VIII of the Petition for the Imposition of Antidumping and Countervailing Duties," dated January 25, 2018 (China AD Supplement). See also Petitioners' Letters, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 23, 2018 Supplemental Questions Regarding Volume I of the Petition for the Imposition of Antidumping and Countervailing Duties" (General Issues Supplement); "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 23, 2018 Supplemental Questions Regarding Volume II of the Petition for the Imposition of Antidumping and Countervailing Duties" (Canada AD Supplement); "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 23, 2018 Supplemental Questions Regarding Volume III of the Petition for the Imposition of Antidumping and Countervailing Duties" (Greece AD Supplement); and "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 23, 2018 Supplemental Questions Regarding Volume X of the Petition for the Imposition of Antidumping and Countervailing Duties" (Turkey AD Supplement). All of these documents are dated January 26, 2018. See also Petitioners' Letters, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 24, 2018 Supplemental Questions Regarding Volume IV of the Petition for the Imposition of Antidumping and Countervailing Duties" (India AD Supplement); and "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 24, 2018 Supplemental Questions Regarding Volume VI of the Petition for the Imposition of Antidumping and Countervailing Duties" (Korea AD Supplement), both dated January 29, 2018. See also Petitioners' Letter, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 29. 2018 Supplemental Questions Regarding Volume VIII of the Petition for the Imposition of Antidumping and Countervailing Duties," dated January 29, 2018 (Second China AD Supplement). See also Petitioners' Letters, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 30, 2018 Supplemental Questions Regarding Volume III of the Petition for the Imposition of Antidumping and Countervailing Duties;" "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 30, 2018 Additional Questions Regarding Volume IV of the Petition for the Imposition of Antidumping and Countervailing Duties" (Second India AD Supplement); "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 30, 2018 Additional Questions Regarding Volume VI of the Petition for the Imposition of Antidumping and Countervailing Duties" (Second Korea AD Supplement); and "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 30, 2018 Supplemental Questions Regarding Volume X of the Petition for the Imposition of Antidumping and Countervailing Duties" (Second Turkey AD Supplement). All of these documents are dated February 1, 2018. See also Petitioners' Letter. "Large Diameter Welded Pipe from Greece: Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties" (Second Greece AD Supplement), dated February 5, 2018. See also Petitioners' Letters, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Submission of Declaration regarding Vol. III of the Petition on Antidumping and Countervailing Duties;" and "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Clarification of Vol. IV India Dumping Margin." (Third India AD Supplement). Both of these documents are dated February 6, 2018.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of welded pipe from Canada, China, Greece, India, Korea, and Turkey are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing welded pipe in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

Commerce finds that the petitioners filed the Petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting.⁷

Periods of Investigation

Because the Petitions were filed on January 17, 2018, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the Canada, Greece, India, Korea, and Turkey investigations is January 1, 2017, through December 31, 2017. Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the POI for the China investigation is July 1, 2017, through December 31, 2017.

⁶ See Memorandum, "Petitions for the Imposition of Antidumping and Countervailing Duties on Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey: Phone Call with Counsel to the Petitioners," dated February 1, 2018; see also Petitioners' Letter, "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Petition Supplement on Scope and Industry Support." dated February 5, 2018 (Scope and Industry Support Supplement).

⁷ See the "Determination of Industry Support for the Petitions" section, infra.

Scope of the Investigations

The product covered by these investigations is welded pipe from Canada, China, Greece, India, Korea, and Turkey. For a full description of the scope of these investigations, see the Appendix to this notice.

Scope Comments

During our review of the Petitions, Commerce issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.⁸ As a result of these exchanges, the scope of the Petitions was modified to clarify the description of merchandise covered by the Petitions. The description of the merchandise covered by this initiation, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the preamble to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope). 9 Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information, 10 all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on March 1, 2018, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include

 ⁸ See General Issues Supplemental Questionnaire, at 4-5.
 ⁹ See Antidumping Duties; Countervailing Duties, Final Rule, 62 FR 27296, 27323 (May 19, 1997).
 ¹⁰ See 19 CFR 351.102(b)(21) (defining "factual information").

factual information, must be filed by 5:00 p.m. ET on March 12, 2018, which is the next business day after 10 calendar days from the initial comments deadline.¹¹

Commerce requests that any factual information parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of each of the concurrent AD and CVD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS). An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Comments on Product Characteristics for AD Questionnaires

Commerce will provide interested parties an opportunity to comment on the appropriate physical characteristics of welded pipe to be reported in response to Commerce's AD

¹² See Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures, 76 FR 39263 (July 6, 2011); see also Enforcement and Compliance; Change of Electronic Filing System Name, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at https://access.trade.gov/help.aspx and a handbook can be found at

¹¹ See 19 CFR 351.303(b).

https://access.trade.gov/help/Handbook% 20on% 20Electronic% 20Filling% 20Procedures.pdf.

questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics, and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe welded pipe, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on March 1, 2018. Any rebuttal comments must be filed by 5:00 p.m. ET on March 12, 2018. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the records of the Canada, China, Greece, India, Korea, and Turkey less-than-fair-value investigations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the "industry."

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product, ¹³ they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce's determination is subject to limitations of time and information. Although this may result in

⁻

¹³ See section 771(10) of the Act.

different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹⁴

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the Petitions.¹⁵ Based on our analysis of the information submitted on the record, we have determined that welded pipe, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁶

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of the Investigations," in the Appendix to this notice. The petitioners provided their own 2017 shipments of the domestic like product and

¹⁴ See USEC, Inc. v. United States, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing Algoma Steel Corp., Ltd. v. United States, 688 F. Supp. 639, 644 (CIT 1988), aff'd 865 F.2d 240 (Fed. Cir. 1989)).

¹⁵ See Volume I of the Petitions, at 15; see also General Issues Supplement, at 7-10.

¹⁶ For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, *see* Antidumping Duty Investigation Initiation Checklist: Large Diameter Welded Pipe from Canada (Canada AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Large Diameter Welded Pipe from Greece (Greece AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Large Diameter Welded Pipe from India (India AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Large Diameter Welded Pipe from the People's Republic of China (China AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Large Diameter Welded Pipe from the Republic of Korea (Korea AD Initiation Checklist), at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Large Diameter Welded Pipe from the Republic of Turkey (Turkey AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

2017 shipments by supporters of the petitions.¹⁷ The petitioners compared the total quantity of these shipments to the estimated total shipments of the domestic like product for the entire domestic industry.¹⁸ The petitioners explained that they relied on shipment data because production data for the entire domestic industry are not available.¹⁹ In addition, the petitioners provided a comparison of their own production and shipment data to demonstrate that shipments are a reasonable proxy for data on production of welded pipe.²⁰ We relied on data the petitioners provided for purposes of measuring industry support.²¹

Our review of the data provided in the Petitions, General Issues Supplement, Industry Support Supplement, Scope and Industry Support Supplement, and other information readily available to Commerce indicates that the petitioners have established industry support for the Petitions. First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling). Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. Finally, the domestic producers (or workers) have met the statutory

¹⁷ See Volume I of the Petitions, at 4 and Exhibit I-4; see also letter from the petitioners to Commerce dated January 31, 2018, "Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties: Industry Support" (Industry Support Supplement), at 2-3 and Exhibit I-Supp2-1; see also Scope and Industry Support Supplement, at Exhibit I-Supp3-3.

¹⁸ *Id*.

¹⁹ See Industry Support Supplement, at 3.

²⁰ *Id.* at 3 and Exhibits I-Supp-2-1 and I-Supp2-2.

²¹ *Id.* For further discussion, *see* Attachment II of the Canada AD Initiation Checklist, China AD Initiation Checklist, Greece AD Initiation Checklist, India AD Initiation Checklist, Korea AD Initiation Checklist, and Turkey AD Initiation Checklist.

²² *Id*.

²³ *Id.*; see also section 732(c)(4)(D) of the Act.

²⁴ See Attachment II of the Canada AD Initiation Checklist, China AD Initiation Checklist, Greece AD Initiation

criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.²⁵ Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Commerce finds that the petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act, and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting that Commerce initiate.²⁶

In letters dated January 25, January 29, and February 5, 2018, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. and Borusan Istikbal Ticaret T.A.S. (collectively, Borusan), a Turkish producer and exporter, submitted comments on industry support. The petitioners responded to these comments in the Scope and Industry Support Supplement, dated February 5, 2018. For further discussion of these comments, *see* Attachment II of the Canada AD Initiation Checklist, China AD Initiation Checklist, Greece AD Initiation Checklist, India AD Initiation Checklist, Korea AD Initiation Checklist, and Turkey AD Initiation Checklist.

Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject

Checklist, India AD Initiation Checklist, Korea AD Initiation Checklist, and Turkey AD Initiation Checklist.

²⁵ *Id*.

 $^{^{26}}$ Id

²⁷ See letter from Borusan to Commerce dated January 25, 2018, "Comments on Industry Support," letter from Borusan to Commerce dated January 29, 2018, "Additional Comments on Industry Support," and letter from Borusan to Commerce dated February 5, 2018, "Additional Comments on Industry Support."

merchandise sold at less than normal value (NV). In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁸

The petitioners contend that the industry's injured condition is illustrated by a significant volume of subject imports; reduced market share; underselling and price depression or suppression; lost sales and revenues; and a negative impact on the domestic industry's U.S. shipments, capacity utilization, production, and financial performance.²⁹ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.³⁰

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which Commerce based its decision to initiate AD investigations of imports of welded pipe from Canada, China, Greece, India, Korea, and Turkey. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

Export Price

For Korea and Turkey, the petitioners based export price (EP) on price quotes for sales of welded pipe produced in, and exported from, those countries and offered for sale in the United

_

²⁸ See Volume I of the Petitions, at 26-27 and Exhibit I-11; see also General Issues Supplement, at 15-18 and Exhibits I-Supp-10 and I-Supp-11.

²⁹ *Id.*, at 13-15, 18-43 and Exhibits I-5 and I-8 through I-18; *see also* General Issues Supplement, at 1, 15-18 and Exhibits I-Supp-1, I-Supp-2, I-Supp-10 and I-Supp-11.

³⁰ See Canada AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea, and the Republic of Turkey (Attachment III); see also China AD Initiation Checklist, at Attachment III; see also Greece AD Initiation Checklist, at Attachment III; see also Korea AD Initiation Checklist, at Attachment III; see also Turkey AD Initiation Checklist, at Attachment III.

States.³¹ For China, the petitioners based EP on the average unit values (AUVs) of publicly available import data.³² For China, the petitioners also used data regarding sales exported by a Chinese producer of welded pipe to support EP. 33 For Canada and India, the petitioners based EP on sales offers for welded pipe produced in, and exported from, those countries, valued using AUVs of publicly available import data.³⁴ Where applicable, the petitioners made deductions from U.S. price for movement and other expenses, consistent with the terms of sale.³⁵

Constructed Export Price

For Greece, because the petitioners had reason to believe the sale was made through a U.S. affiliate, petitioners based constructed export price (CEP) on an offer for sale of welded pipe produced in, and exported from, Greece and offered for sale in the United States.³⁶ The petitioners made deductions from U.S. price for movement expenses consistent with the delivery terms.³⁷ Where applicable, the petitioners also deducted CEP selling expenses from U.S. price.³⁸

Normal Value

For Canada, Greece, India, Korea, and Turkey, the petitioners were unable to obtain reliable information relating to the prices charged for welded pipe in Canada, Greece, India, Korea, and Turkey, or any third country market.³⁹ Because home market and third country prices were not reasonably available, the petitioners calculated NV based on constructed value

³¹ See Korea and Turkey AD Initiation Checklists.

³² See China AD Initiation Checklist.

³⁴ See Canada and India AD Initiation Checklists.

³⁵ See Canada, China, India, Korea, and Turkey Initiation Checklists.

³⁶ See Greece Initiation Checklist.

³⁷ *Id*.

³⁹ See Canada, Greece, India, Korea, and Turkey AD Initiation Checklists.

(CV). For further discussion of CV, *see* the section "Normal Value Based on Constructed Value" below.⁴⁰

With respect to China, Commerce considers China to be an NME country. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties, and the public, will have the opportunity to provide relevant information related to the granting of separate rates to individual exporters.

The petitioners claim that Thailand is an appropriate surrogate country for China because it is a market economy country that is at a level of economic development comparable to that of China and it is a significant producer of comparable merchandise that is home to several producers of welded pipe. The petitioners provided publicly-available information from Thailand to value all FOPs. However, the petitioners relied upon the financial statements of Ternium, S.A., a Mexican producer of welded pipe, to value financial ratios because: 1) Mexico is also a country found by Commerce to be economically comparable to China; and 2) all of the

⁴⁰ In accordance with section 505(a) of the Trade Preferences Extension Act of 2015, amending section 773(b)(2) of the Act, for this investigation, Commerce will request information necessary to calculate the CV and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product. Commerce no longer requires a COP allegation to conduct this analysis.

⁴¹ See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative

⁴¹ See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination, 82 FR 50858, 50861 (November 2, 2017), and accompanying decision memorandum, China's Status as a Non-Market Economy.

⁴² See China AD Initiation Checklist.

⁴³ See Volume VIII of the Petitions, at 10-11.

⁴⁴ See Volume VIII of the Petitions, at 14-18 and Exhibit AD-CN-16; see also the petitioners January 25, 2018, Response to the Supplemental Questions Regarding Volume VIII of the Petition (China Supplemental Response).

Thai producers of welded pipe that the petitioners identified are either privately held and do not publish publicly-available financial statements or do publish financial statements but those statements indicate that the companies operated at a loss during the POI.⁴⁵ Therefore, based on the information provided by the petitioners, we determine that it is appropriate to use Thailand as the primary surrogate country, but rely on the financial statements of a Mexican producer of welded pipe to value financial ratios, for initiation purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

Because information regarding the volume of inputs consumed by Chinese producers/exporters was not reasonably available, the petitioners used the product-specific consumption rates of a U.S. welded pipe producer to estimate the Chinese manufacturers' FOPs. The petitioners valued the estimated FOPs using surrogate values from Thailand, as noted above. The petitioners used the average POI exchange rate to convert the data to U.S. dollars. The petitioners used the average POI exchange rate to convert the data to U.S.

Normal Value Based on Constructed Value

As noted above, the petitioners were unable to obtain information relating to the prices charged for welded pipe in Canada, Greece, India, Korea, and Turkey, or any third country

16

⁴⁵ See Volume VIII of the Petitions at 18-19 and Exhibit AD-CN-21.

⁴⁶ See Volume VIII of the Petitions at 11-12; China AD Supplement at Exhibit AD-CN-Supp-4.

⁴⁷ See Volume VIII of the Petitions at 18-19 and Exhibit AD-CN-21.

⁴⁸ See Volume VIII of the Petitions at 15-16 and Exhibit AD-CN-14; China AD Supplement at Exhibit AD-CN-Supp-3.

market; accordingly, the petitioner based NV on CV. 49 Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing (COM), selling, general, and administrative (SG&A) expenses, financial expenses, packing expenses, and profit. For Canada, Greece, India, Korea, and Turkey, the petitioners calculated the COM based on the input factors of production and usage rates from a U.S. producer of welded pipe. The input factors of production were valued using publicly available data on costs specific to Canada, Greece, India, Korea, and Turkey, during the proposed POI.⁵⁰ Specifically, the prices for raw materials, reclaimed steel scrap, and packing inputs were valued using publicly available import and domestic price data for Canada, Greece, India, Korea, and Turkey.⁵¹ Labor and energy costs were valued using publicly available sources for Canada, Greece, India, Korea, and Turkey.⁵² The petitioners calculated factory overhead, SG&A, and profit for Canada, Greece, India, and Turkey based on the average ratios found in the experience of a producer of welded pipe products or of comparable merchandise from each of these countries.⁵³ Because the petitioners were not able to ascertain the fixed overhead rate of a Korean producer of welded pipe, the petitioners, conservatively, omitted fixed overhead costs in the calculation of COM for Korea.⁵⁴ The petitioners calculated SG&A and profit for Korea based on the average ratios found in the experience of a Korean producer of welded pipe products.⁵⁵

⁴⁹ See Canada AD Initiation Checklist; Greece AD Initiation Checklist; India AD Initiation Checklist; Korea AD Initiation Checklist; and Turkey AD Initiation Checklist.

⁵¹ *Id*.

⁵² Id.

⁵⁴ See Korea AD Initiation Checklist.⁵⁵ Id.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of welded pipe from Canada, China, Greece, India, Korea, and Turkey are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP, or CEP, to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for welded pipe for each of the countries covered by this initiation are as follows: (1) Canada – 50.89 percent; (2) China – 120.84 - 132.63 percent; (3) Greece – 41.04 percent; (4) India – 37.94 percent; (5) Korea – 16.18 and 20.39 percent; and (6) Turkey – 66.09 percent.

Based upon the examination of the AD Petitions, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of welded pipe from Canada, China, Greece, India, Korea, and Turkey are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Under the Trade Preferences Extension Act of 2015, numerous amendments to the AD and CVD laws were made.⁶² The 2015 law does not specify dates of application for those amendments. On August 6, 2015, Commerce published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments

⁵⁶ See Canada AD Initiation Checklist.

⁵⁷ See China AD Initiation Checklist.

⁵⁸ See Greece AD Initiation Checklist.

⁵⁹ See India AD Initiation Checklist.

⁶⁰ See Korea AD Initiation Checklist.

⁶¹ See Turkey AD Initiation Checklist.

⁶² See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.⁶³ The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to these AD investigations.⁶⁴

Respondent Selection

The petitioners named six companies in Canada, 65 26 companies in India, 66 28 companies in Korea, 67 and 13 companies in Turkey, 68 as producers/exporters of welded pipe. Following standard practice in AD investigations involving market economy countries, in the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon Commerce's resources, where appropriate, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States numbers listed with the scope in the Appendix, below.

On February 1, 2018 (for Canada), February 2, 2018 (for India), February 5, 2018 (for Korea), and February 6 (For Tukey), Commerce released CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment regarding the CBP data and respondent selection must do so within three business days of the publication date of the notice of initiation of these AD

⁶³ See Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015, 80 FR 46793 (August 6, 2015).

⁶⁴ *Id.* at 46794-95. The 2015 amendments may be found at https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl.

⁶⁵ See Volume I of the Petitions at Exhibit I-3.

^{66 1.1}

⁶⁷ *Id*.

⁶⁸ *Id*.

investigations.⁶⁹ Commerce will not accept rebuttal comments regarding the CBP data or respondent selection.

Although Commerce normally relies on the number of producers/exporters identified in the petition and/or import data from CBP to determine whether to select a limited number of producers/exporters for individual examination in AD investigations, the petitioners identified only one company as a producer/exporter of welded pipe in Greece: Corinth Pipeworks S.A. (Corinth). We currently know of no additional producers/exporters of merchandise under consideration from Greece, and the petitioners provided information from an independent third-party source as support. Accordingly, Commerce intends to examine Corinth, the only known producer/exporter in the investigation for Greece.

With respect to China, the petitioners named 157 producers/exporters as accounting for the majority of exports of welded pipe to the United States from China. After considering the large number of producers and exporters identified in the Petition, and considering the resources that must be utilized by Commerce to mail quantity and value (Q&V) questionnaires to all of these companies, Commerce has determined that we do not have sufficient administrative resources to mail Q&V questionnaires to all 157 identified producers and exporters. Therefore, Commerce has determined to limit the number of Q&V questionnaires it will send out to exporters and producers based on CBP data for imports meeting the description of the scope of the investigation. Accordingly, Commerce will send Q&V questionnaires based on the

_

⁷² See General Issues Supplement, at Exhibit I-Supp-4.

⁶⁹ See Commerce's Letters, "Large Diameter Welded Line Pipe Antidumping Duty Petition: Release of Customs Data from U.S. Customs and Border Protection;" "Large Diameter Welded Pipe from India Antidumping Duty Petition: Release of Customs Data from U.S. Customs and Border Protection;" "Large Diameter Welded Pipe from the Republic of Korea Antidumping Duty Petition: Release of Customs Data from U.S. Customs and Border Protection;" and "Large Diameter Welded Pipe from Turkey Antidumping Duty Petition: Release of Customs Data from U.S. Customs and Border Protection." These documents are dated February 1, 2, 5, and 6, 2018, respectively. ⁷⁰ See Volume I of the Petitions, at Exhibit I-3: Volume III of the Petitions, at 3: and Greece AD Supplement, at 2-3.

⁷¹ See Volume III of the Petitions, at Exhibit AD-GR-3; and Greece AD Supplement, at Exhibit AD-GR-Supp-2.

producers and exporters that are identified in the Petition and that also appear in the CBP data.

On February 1, 2018, Commerce released CBP data under APO to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days of the publication date of the notice of initiation of this investigation.⁷³ We further stated that we will not accept rebuttal comments.⁷⁴

In addition, Commerce will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance Web site at http://www.trade.gov/enforcement/news.asp. In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to base respondent selection on the responses to the Q&V questionnaire that we receive.

Producers/exporters of welded pipe from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's website. The Q&V response must be submitted by the relevant Chinese exporters/producers no later than 5:00 p.m. ET on February 23, 2018. All Q&V responses must be filed electronically via ACCESS.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.⁷⁵ The specific requirements for submitting a separate-rate application in the China investigation are outlined in detail in the application itself, which is available on Commerce's web site at http://enforcement.trade.gov/nme/nme-sep-rate.html. The

 ⁷³ See Commerce's Memorandum to the File, "Releasing U.S. Customs and Border Protection Data," dated February 1, 2018.
 74 Id.

⁷⁵ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at http://enforcement.trade.gov/policy/bull05-1.pdf (Policy Bulletin 05.1).

separate-rate application will be due 30 days after publication of this initiation notice. The Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate-rate consideration.

Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁷⁷

Distribution of Copies of the Petitions

⁷⁶ Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

⁷⁷ See Policy Bulletin 05.1 at 6 (emphasis added).

In accordance with section 732(b)(3)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Canada, China, Greece, India, Korea, and Turkey via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act. Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of welded pipe from Canada, China, Greece, India, Korea, and/or Turkey are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country. 78 Otherwise, the investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)-(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19

23

⁷⁸ *Id*.

CFR 351.102(b)(21) the information is being submitted⁷⁹ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.⁸⁰ Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, standalone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review Extension of Time Limits; Final Rule, 78 FR 57790 (September 20, 2013), available at http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm, prior to submitting factual information in these investigations.

⁷⁹ See 19 CFR 351.301(b). ⁸⁰ See 19 CFR 351.301(b)(2).

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁸¹ Parties must use the certification formats provided in 19 CFR 351.303(g).⁸² Commerce intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: February 9, 2018.

James Maeder,
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

⁸¹ See section 782(b) of the Act.

⁸² See also Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings, 78 FR 42678 (July 17, 2013) (Final Rule). Answers to frequently asked questions regarding the Final Rule are available at http://enforcement.trade.gov/tlei/notices/factual info final rule FAO 07172013.pdf.

Appendix

Scope of the Investigations

The merchandise covered by these investigations is welded carbon and alloy steel pipe, more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of these investigations, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope large diameter welded pipe.

Excluded from the scope are any products covered by the existing antidumping duty orders on welded line pipe from the Republic of Korea, welded line pipe from the Republic of Turkey, and welded ASTM A-312 stainless steel pipe from Korea, as well as any products covered by the existing countervailing duty order on welded line pipe from Turkey. See Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders, 80 FR 75056 (December 1, 2015); Welded ASTM A-312 Stainless Steel Pipe from South Korea: Antidumping Duty Order, 57 FR 62300 (December 30, 1992); and Welded Line Pipe from the Republic of Turkey: Countervailing Duty Order, 80 FR 75054 (December 1, 2015).

The large diameter welded pipe that is subject to these investigations is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

[FR Doc. 2018-03305 Filed: 2/16/2018 8:45 am; Publication Date: 2/20/2018]